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CONSUMERS GLASS COMPANY LIMITED



1966 ANNUAL REPORT

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CONSUMERS GLASS COMPANY LIMITED

HEAD OFFICE: 258 2ND AVENUE, VILLE ST. PIERRE, MONTREAL, QUEBEC

EXECUTIVE OFFICE: 249 KIPLING AVENUE SOUTH, TORONTO 18, ONTARIO

DIRECTORS

F. R. DANIELS	Chairman and Chief Executive Officer, Dominion Textile Company Limited
J. C. HEBERT	Chairman, Transparent Paper Products Limited
F. B. HESS	President, Brockway Glass Company, Inc.
BRIAN HEWARD	Chairman of the Board, Consumers Glass Company Limited
C. F. G. HEWARD	Executive Vice-President, Jones Heward & Company (1965) Ltd.
J. N. JORDAN	Former President, Consumers Glass Company Limited
J. D. MINGAY	President, Consumers Glass Company Limited
B. H. RIEGER	Vice-President, Canadian Corporate Management Company Limited
R. E. STAVERT	Chairman of the Board, The Guardian Insurance Company of Canada
W. P. WALKER	President, Mindustrial Corporation Limited

OFFICERS

BRIAN HEWARD	Chairman of the Board
B. H. RIEGER	Vice-Chairman of the Board
J. D. MINGAY	President
V. S. B. CORBET	Vice-President, Operations
A. F. GRIFFITHS	Vice-President, Marketing and Sales
R. D. MORISON	Vice-President and Secretary-Treasurer

SALES OFFICES

MONTRÉAL, QUEBEC	258 2nd Avenue, Ville St. Pierre
TORONTO, ONTARIO	249 Kipling Avenue South
QUEBEC, QUEBEC	Edifice Rond Point, Pont de Quebec, Ste. Foye, Quebec 10
HALIFAX, NOVA SCOTIA	Bedford Row
SAINT JOHN, NEW BRUNSWICK	Waterloo Street
ST. JOHN'S, NEWFOUNDLAND	Duckworth Street
FORT WILLIAM, ONTARIO	Hardisty Street
WINNIPEG, MANITOBA	Wall Street

PLANTS

Montreal, Quebec
Toronto, Ontario

TRANSFER AGENT

The Royal Trust Company, Montreal/Toronto

REGISTRAR

Crown Trust Company, Montreal/Toronto



PRESIDENT'S REPORT TO THE SHAREHOLDERS

The year 1966 was a rewarding one for your Company, resulting in significant gains in sales and net income.

Our last report to shareholders covered the period September 1, 1965 to December 31, 1965. This four month report resulted from the change in our fiscal year end from August 31 to December 31. Our business is subject to pronounced seasonal fluctuations, therefore, a simple multiplication of our four month report will not give a true indication of twelve months' results.

For purposes of comparing the earnings statements, we are using our last report for the full twelve month fiscal period which ended August 31, 1965. The financial highlights of the year on this basis are as follows:

	Year ended Dec. 31, 1966	Year ended Aug. 31, 1965
Consolidated net sales	\$21,570,323	\$18,262,444
Consolidated net income	\$1,266,230	\$806,491
% Income to sales	5.9%	4.4%
Shares outstanding	1,648,557	1,518,669
Earnings per share	77¢	53¢
Dividends per share	28¢	25¢
Capital expenditures	\$ 3,210,570	\$ 1,699,797
Depreciation	\$ 1,076,221	\$ 1,008,449

SALES

Consolidated net sales for the year 1966 increased by 18 per cent. to a record level, attributable mainly to additional shipments to the food and beverage industries. While the volume of beverage container shipments was substantially assisted by favourable weather during the summer, the most significant growth was experienced in the non-returnable soft drink container market, where the rate of shipments increased threefold.

EARNINGS AND DIVIDENDS

The very gratifying 57 per cent. increase in net income for the year was a reflection of increased sales volume, a high level of capacity utilization, and improved productivity rates. This advanced productivity is a direct result of our heavy capital expenditure program of recent years, coupled with improved technological skills.

Earnings per share increased by 24¢, or 45 per cent. over the previous full fiscal period notwithstanding the issue of 129,888 common shares for cash, pursuant to stock option agreements. Total dividends of \$456,114 were paid on the common shares of the Company in regular quarterly distributions of 7¢ per share.

level
point

SALES 1961-1966 in millions of dollars



BREWERY CONTAINER CONVERSION PROGRAMME

Excludes 4 month fiscal period ended Dec. 31, 1965 (change in fiscal year end)

CAPITAL EXPENDITURES AND DEPRECIATION

During the year under review, capital project costs amounted to \$3,210,570 and were located primarily at our Toronto plant. These expenditures included major redesign and reconstruction of one furnace, increased warehousing facilities, and the expansion of office space. In our previous report, we announced the construction of buildings to house a third furnace in Toronto commencing in the fall of 1966 with completion of the unit scheduled for late in 1967. We are pleased to report that this construction is well under way.

In the past six years, your Company has expended over \$12,000,000 on capital equipment to modernize our facilities and improve our competitive position. Until 1966, the Company recorded depreciation in its accounts at rates consistent with those used in the past. As a result of a carefully prepared engineering study on the expected life of our fixed assets, the rate of depreciation on certain buildings and glass forming machines has been reduced. Had these rates not been changed, an additional \$129,220 of depreciation would have been recorded in 1966.

WORKING CAPITAL

The Source and Use of Funds statement shows an increase of \$2,202,453 in working capital during the year. This was principally the result of the issue of \$3,500,000 of Series "C" First Mortgage Bonds in October, 1966, to assist in financing operations.

DIVERSIFICATION

Our letter to you of September 14, 1966 stated that your Company has been actively watching developments in other areas of packaging and as a result had entered into an agreement to acquire a plastics manufacturing company. On October 7, 1966, we acquired Brentwood Containers Limited for a maximum price of \$961,500, payable over three years. The payment in 1966 of \$711,500 comprised debenture debt of \$250,000 and a cash payment of \$461,500. The Brentwood accounts have been consolidated in this report.

TECHNOLOGY

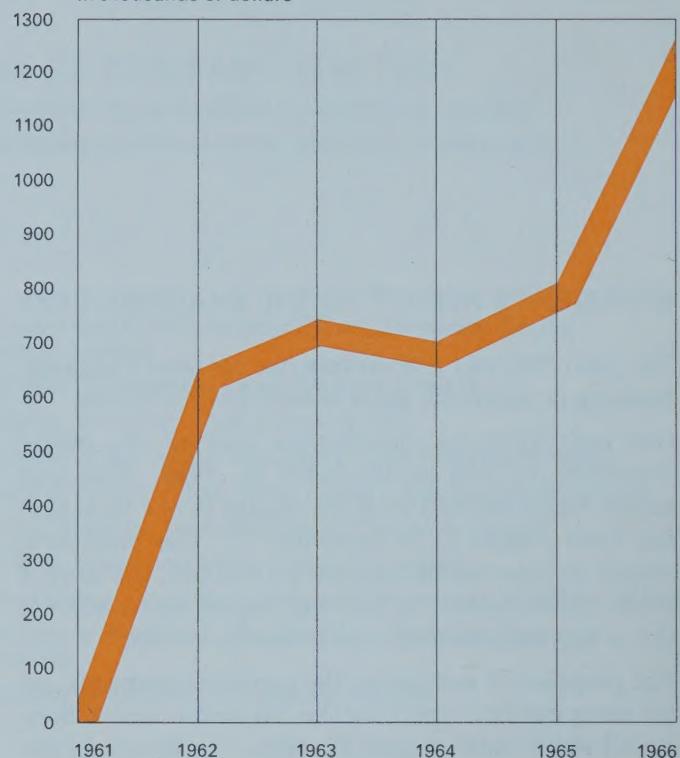
In September, 1966, the technological agreement with Brockway Glass Company, Inc., second largest U.S. Glass container manufacturer, which has been very beneficial, was renewed for a period of one year. It is our intention to maintain this relationship in the future.

SELLING PRICES

The pressure of increased costs of labour, materials, supplies and capital equipment continued to mount during the year and made it necessary to adjust our selling prices by approximately three per cent. in February and two per cent. in December, 1966.

PROFITS 1961-1966

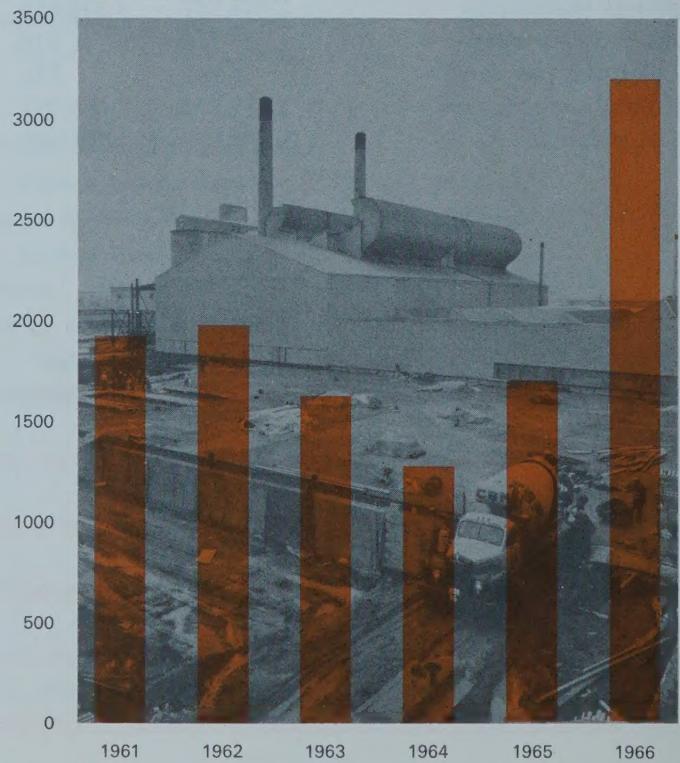
in thousands of dollars



Excludes 4 month fiscal period ended Dec. 31, 1965
(change in fiscal year end)

CAPITAL EXPENDITURES 1961-1966

in thousands of dollars



Excludes 4 month fiscal period ended Dec. 31, 1965
(change in fiscal year end)

FUTURE PLANS

We look forward to the future with confidence, and are planning substantial capital expenditures over the next several years which will enable us to serve the expanding market.

Such major capital expenditures must of necessity be accompanied by a conservative dividend policy, but on a long-term basis, the shareholders' position should show a marked improvement.

APPRECIATION

Since our last annual report, Mr. Ross Clarkson, a Director of the Company since 1950, tendered his resignation from the Board. Mr. Clarkson's contribution to

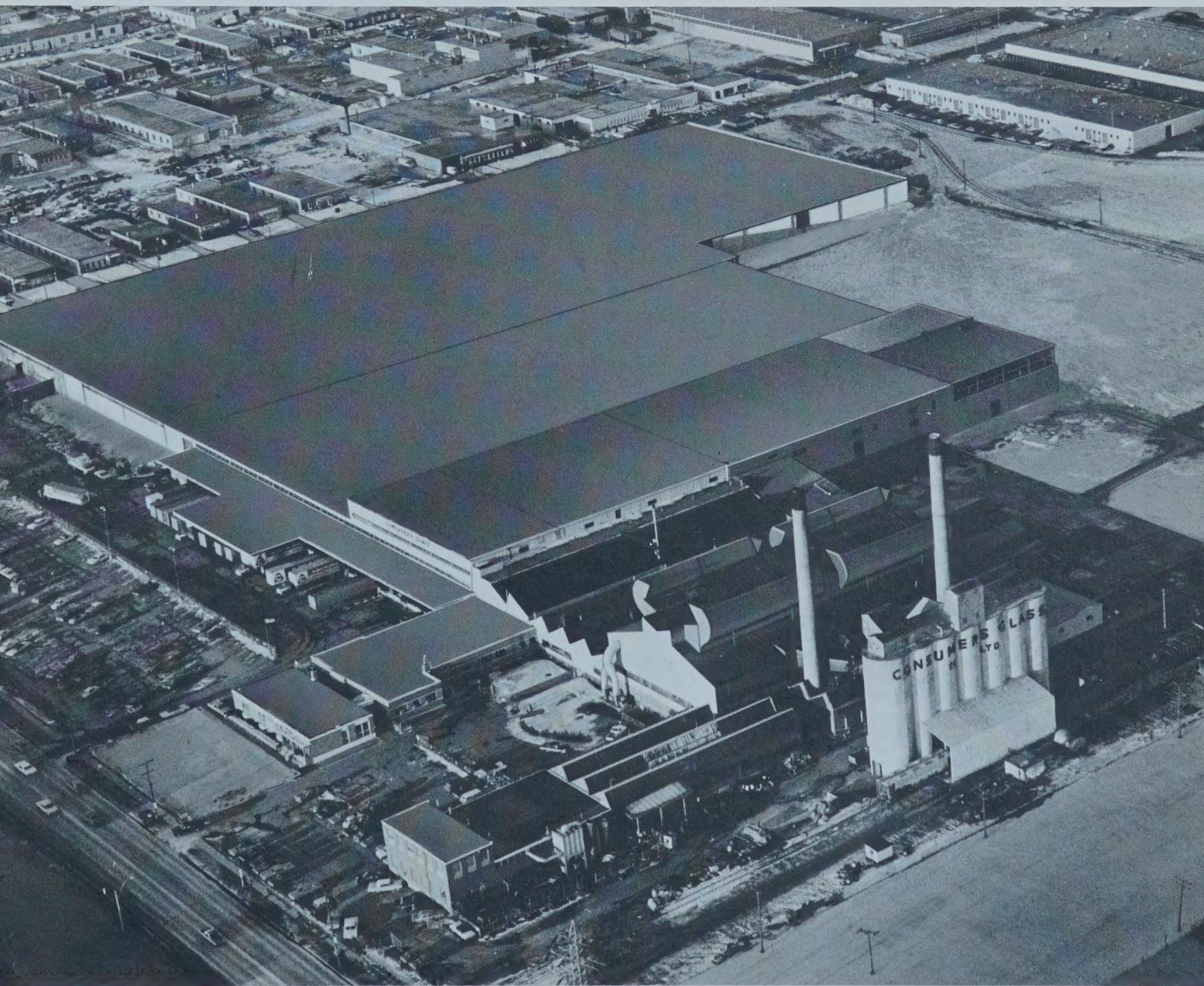
our Company over the past 16 years has been invaluable, and we express our sincerest gratitude for his services.

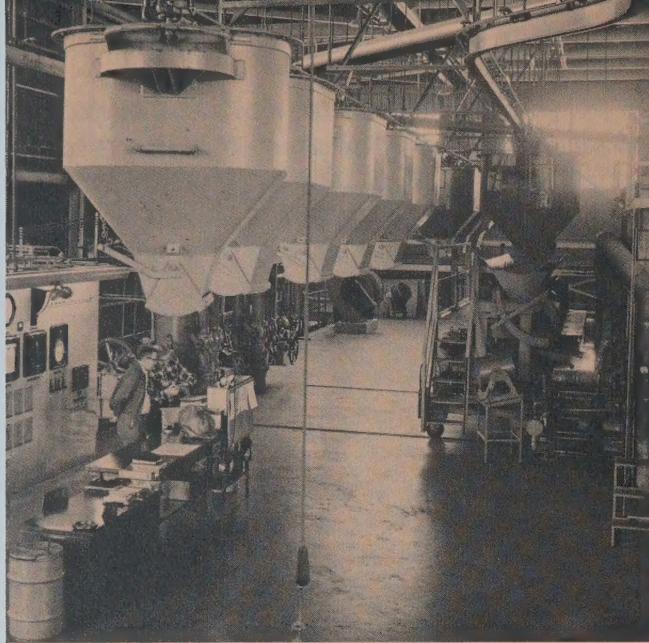
The improvement in the overall results of your Company during the year has been possible only with the faithful and intelligent efforts of a large group of individuals. We are pleased and proud of the performance of all our people and thank them for their contribution. We also extend thanks to our suppliers for their service, quality and co-operation. We offer appreciation to our customers for their loyalty and assure them that we will continue to strive to serve them well.

On Behalf of the Board

J. D. MINGAY,
President.

February 21, 1967.





A YEAR OF PROGRESS

COMPANY HISTORY

As Consumers Glass enters its 50th year of operation, shareholders and personnel can look back with pride to the growth and development of this Canadian-owned company.

Consumers Glass opened its first plant in 1917 in Ville St. Pierre, near Montreal, and gradually enlarged it over the years. In 1960 substantial funds were allocated to a modernization program to increase the plant's efficiency and productivity. Today, the 370,000 square foot plant comprises three glass melting furnaces and 12 modern glass forming machines.

As the Company's operations expanded, a second plant was opened in Toronto in the summer of 1954. This modern manufacturing facility is situated on a 31-acre site in Etobicoke, with excellent access to rail and road transportation.

The Toronto complex contains two glass melting furnaces and 12 glass forming machines and is currently being expanded by the addition of a third furnace. When completed in late 1967, this new unit will substantially increase total capacity of the plant.

In order to provide customers with efficient service, Consumers Glass maintains at each of its Montreal and Toronto plant sites approximately 500,000 square feet of warehousing space equipped with modern loading facilities. In addition, warehousing facilities are located in Winnipeg, Fort William, Leamington, Hamilton, St. John and Halifax.

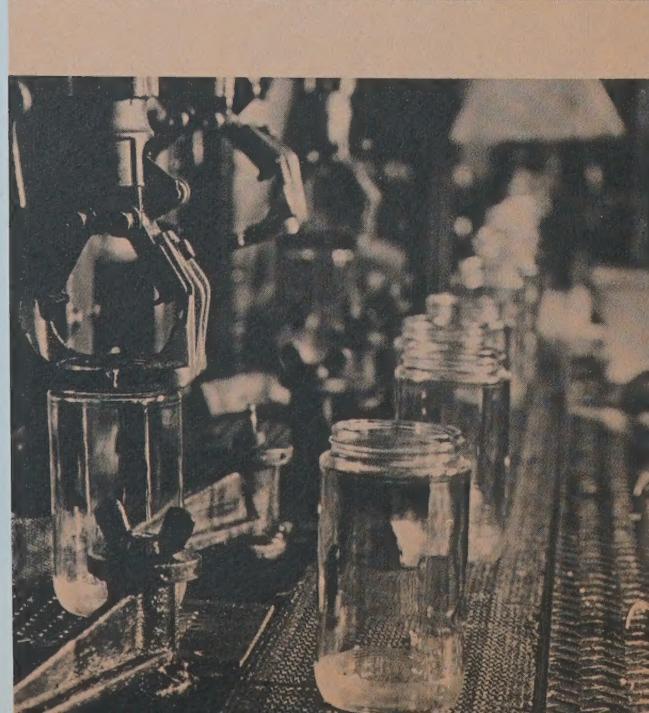
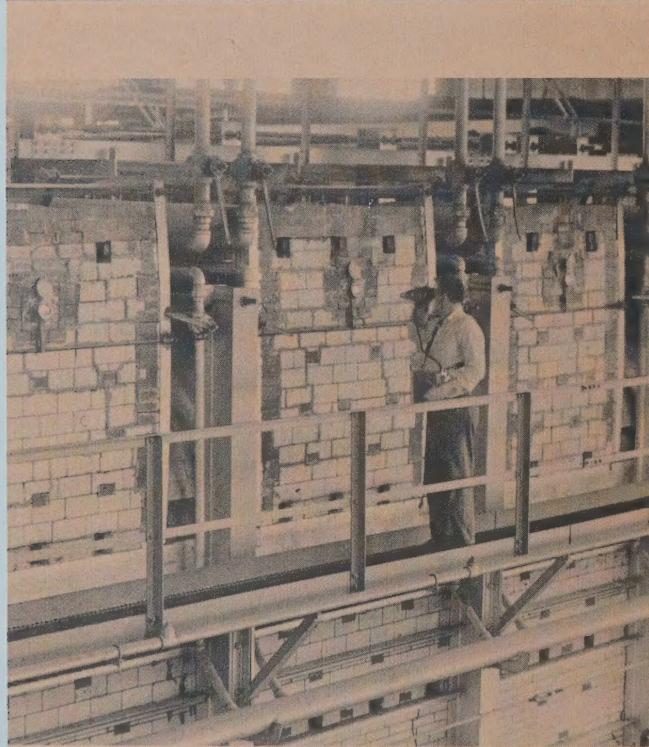
1966 HIGHLIGHTS

The year 1966 was significant in terms of growth, expansion and diversification. Major projects were launched on several fronts in accordance with the overall management concept of profitable operations.

In the fall of 1966 the Company acquired Brentwood Containers Limited, Toronto, a manufacturer of plastic disposable cups and lids. Acquisition of this company provides a foothold in the growing plastic container field.

The Company also rebuilt and expanded one of the furnaces at the Toronto plant during the early part of 1966 at a cost of \$2½ million. The reconstruction of this unit was started in January and completed in April, and resulted in a substantial increase in its capacity.

In addition, a further plant expansion was begun in Toronto during the past year when ground was broken for a building to house a new furnace and related production facilities. The \$6 million project, scheduled for completion late in 1967, involves one of the largest furnaces of its type in Canada. With a daily capacity of 200 tons of glass, it will increase the Toronto plant's output of glass containers by approximately 50 per cent.



The latest advances in refractory technology and furnace design have been incorporated in this unit and are expected to extend the economic life of the furnace beyond normally expected limits. These and other unique features will ensure customers of a continuing supply of superior quality containers.

Steps were taken during the year to improve the efficiency and increase the capacity of the Company's administrative operations. To assist in forecasting, planning and inventory control, a 360-20 IBM card computer was installed in the Toronto office in May. This unit, the first installation of its kind in Canada, will also be used for selected accounting purposes.

To help finance current and future expansion and development, an additional \$3½ million of First Mortgage Bonds were sold to a group of financial institutions in October.

MARKETING

Consumers Glass' products receive excellent acceptance in the four geographical areas of Canada where they are marketed: Ontario, Quebec, Manitoba and the Atlantic Provinces. In Ontario and Quebec, the Company employs its own sales representatives. In other regions, manufacturers' agents are retained. Consumers Glass sales offices are located in Quebec City, Montreal and Toronto.

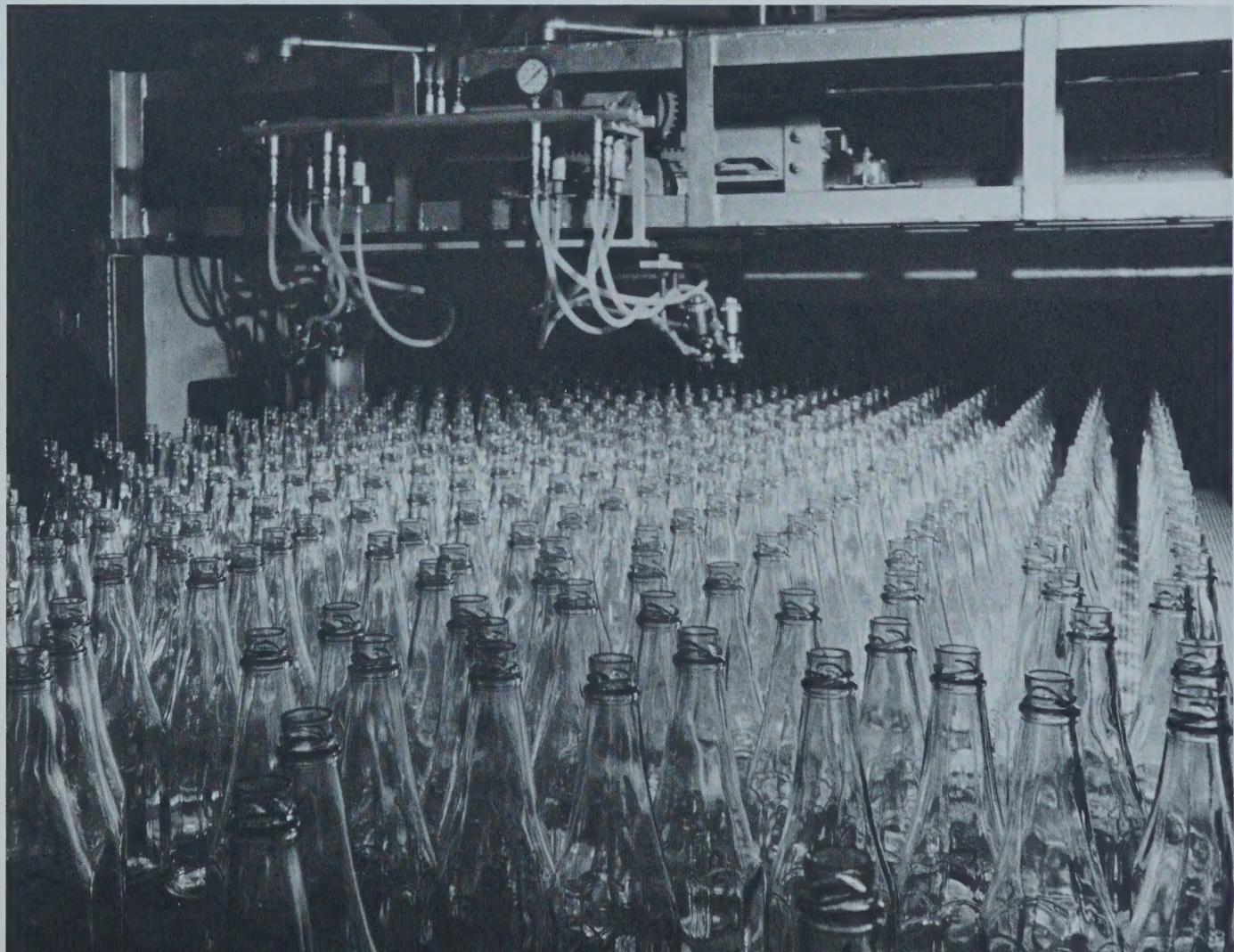
The Company's marketing and sales operations are continually being strengthened and improved. To this end several organizational changes were introduced during 1966. Supporting the sales organization are creative design and engineering departments which assist salesmen and agents in developing customer needs into attractive and practical applications for glass containers. Product managers also provide specialized marketing support and the Company's customer service department, with thorough product knowledge and experience, assists both customers and field personnel.

Consumers Glass is proud of the fact that it counts among its customers virtually every glass container user in the market areas served. Included are food companies, all brewers, distillers, wineries and major soft drink franchises as well as drug and chemical manufacturers.

ADVERTISING

For the third consecutive year, the Company is participating in the glass container industry's co-operative advertising program. One of the primary projects of this group is to encourage the growth of the non-returnable beverage bottle market.

In addition, Consumers Glass assists the Canadian Tourist Association in its anti-litter program.



RESEARCH AND DEVELOPMENT

The Company's engineering and design departments are active in an expanded program aimed at developing lighter weight containers to effect savings for customers by reducing prices and transportation costs.

During 1966, Consumers Glass participated in programs of the Glass Container Industry Research Corporation, a group of Canadian and U.S. companies formed to develop further glass container technology. In addition, the Company made its production facilities and technical specialists available to GCIRC to assist in several research projects.

Consumers Glass is continuing to benefit in every way from its very close relationship with Brockway Glass Company, Inc., second largest glass container manufacturer in the United States. Through a reciprocal arrangement with Brockway, Company technicians and specialists are able to participate in training programs, to exchange technical know-how with their American counterparts in the glass container manufacturing field, and to benefit from Brockway's extensive engineering research and development facilities.

PERSONNEL RELATIONS

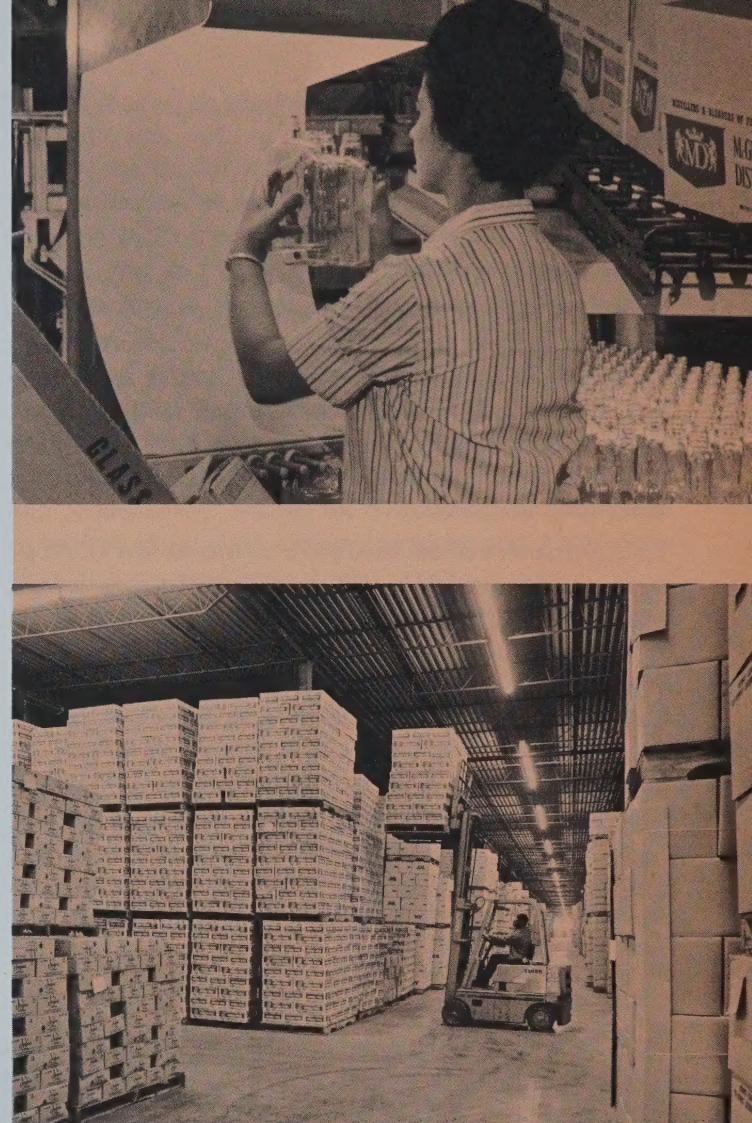
The Company is proud of the highly skilled and dedicated people in its organization. Consumers Glass enjoys good relations with the United Glass and Ceramic Workers of North America at its Toronto operations and with the Confederation of National Trade Unions in Montreal. Three-year contracts were signed in May, 1966 at Toronto and April, 1965 at Montreal.

The Consumers Glass Pension Plan was revised during 1966 to provide for the introduction of the Canada and Quebec Pension Plans. Offering both non-contributory and contributory options, it allows individuals to contribute a percentage of their annual income to enhance their pension benefits.

A comprehensive medical plan assures personnel of an excellent level of health care coverage. Additionally, both Montreal and Toronto manufacturing facilities are provided with well equipped and professionally staffed health centres on a 24 hour basis.

Consumers Glass is particularly proud of the fact that 20 students are presently attending university or college under the Company's University Awards Plan. This program offers the sons, daughters or dependents of its people with a year or more of service, \$750 a year for four years or until the course is completed, whichever comes first, providing they attend a recognized university or college.

During 1966 the Company's broad donations policy benefited many community health and welfare services and educational institutions across Canada. In Toronto, Consumers Glass personnel were recognized with an award for outstanding achievement in contributions to the 1966 United Appeal.



FUTURE TRENDS

Consumers Glass looks to the future with carefully considered optimism, even though the challenge of competitive materials will increase for containers in some markets. Competition from other packaging materials has been present for many years and will continue. The Company is confident that it will successfully offset this competition in the future as it has in the past with new products, technological innovations, and effective marketing programs.

In 1966 the food industry provided the Company with its greatest growth area. This trend can be expected to continue in 1967.

In addition, the non-returnable bottle market shows signs of dynamic growth, particularly in the soft drink field. In 1966 this market tripled. Conservative forecasts indicate that the demand for non-returnable soft drink containers in the next five years will increase substantially.

Because of these factors, and encouraging sales forecasts in other product areas, Consumers Glass anticipates that 1967 will show further improvement.

CONSUMERS GLASS COMPANY LIMITED



CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1966

(With comparative figures for the year ended August 31, 1965*)

	1966	1965
Net sales	\$21,570,323	\$18,262,444
Income from investments	14,042	10,998
	<u>21,584,365</u>	<u>18,273,442</u>
Deduct:		
Cost of goods sold, distribution, selling and administration expense	17,296,361	15,106,133
Depreciation	1,076,221	1,008,449
Amortization of furnace relining costs	248,594	159,958
Interest on long term indebtedness	283,250	247,744
Directors' fees and salaries	73,000	82,667
	<u>18,977,426</u>	<u>16,604,951</u>
Income before taxes	2,606,939	1,668,491
Provision for income taxes (including \$500,000 applicable to future years, 1965, \$506,000)	1,340,709	862,000
Net income for the year	<u>\$ 1,266,230</u>	<u>\$ 806,491</u>

*Note: The financial year-end of the company was changed in 1965 from August 31 to December 31.

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1966

Balance at December 31, 1965	\$4,985,380
Add net income for the year	1,266,230
	<u>6,251,610</u>
Deduct:	
Dividends paid	\$456,114
Bond issue expense	75,153
	<u>531,267</u>
Balance at December 31, 1966	<u>\$5,720,343</u>

CONSUMERS GLASS COMPANY LIMITED

(Incorporated under the Canada Corporations Act)

CONSOLIDATED BALANCE SHEET as at December 31, 1966

(with comparative figures for December 31, 1965)

ASSETS

	1966	1965
Current		
Cash and deposit receipts - - - - -	\$ 687,298	\$ 16,029
Accounts receivable - - - - -	2,133,005	1,255,595
Marketable securities at cost (quoted market value—1966, \$215,490; 1965, \$222,625) - - -	250,000	250,988
Inventories at the lower of cost or market - - - - -	4,882,567	4,792,921
Prepaid expenses - - - - -	203,697	181,511
	<hr/> 8,156,567	<hr/> 6,497,044
Special refundable tax - - - - -	76,178	—
 Fixed		
Land, buildings, and machinery, at cost - - - - -	23,214,084	19,976,291
Less accumulated depreciation - - - - -	10,673,265	9,613,006
	<hr/> 12,540,819	<hr/> 10,363,285
Unamortized furnace relining costs - - - - -	683,656	497,062
	<hr/> 13,224,475	<hr/> 10,860,347
Goodwill, at cost - - - - -	526,532	—
	<hr/> \$21,983,752	<hr/> \$17,357,391

On behalf of the Board

BRIAN HEWARD, *Director*

J. D. MINGAY, *Director*



LIABILITIES

	1966	1965
Current		
Bank indebtedness (secured) - - - - -	\$ —	\$ 1,119,320
Accounts payable and accrued liabilities - - - - -	2,234,777	1,846,796
Bond interest - - - - -	81,278	23,487
Income taxes - - - - -	364,468	224,850
Current portion of funded debt - - - - -	291,000	300,000
	<hr/> 2,971,523	<hr/> 3,514,453
6% bank loan due January 4, 1968 (secured) - - - - -	1,000,000	1,000,000
Funded debt (Notes 2 and 3) - - - - -	6,275,000	2,950,000
Accumulated tax reductions applicable to future years - - - - -	2,872,122	2,370,000

SHAREHOLDERS' EQUITY

Capital stock

Common shares—no par value		
Authorized, 1,900,000 shares (Note 4)		
Issued, 1,648,557 shares (Note 5) - - - - -	3,144,764	2,537,558
Retained earnings - - - - -	5,720,343	4,985,380
	<hr/> 8,865,107	<hr/> 7,522,938
	<hr/> \$21,983,752	<hr/> \$17,357,391

CONSUMERS GLASS COMPANY LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1966

Source of funds

Net income for the period	-\$1,266,230
Non cash items included in net income:	
Depreciation	\$1,076,221
Amortization of furnace relining costs	248,594
Increase in accumulated tax reductions applicable to future years	500,000
	<u>1,824,815</u>
Funds generated from operations	3,091,045
Funded debt issued	3,750,000
Capital stock issued	607,206
Working capital of subsidiary acquired	133,318
Disposal of fixed assets	9,941
	<u>7,591,510</u>

Use of funds

Capital expenditure	-\$3,210,570
Furnace relining costs	435,188
Funded debt retirement	425,000
Dividends	456,114
Acquisition of business and net assets of subsidiary	711,500
Bond issue expense	75,153
Special refundable tax	75,532
	<u>5,389,057</u>
Increase in working capital	<u>-\$2,202,453</u>

	December 31 1966	December 31 1965
Current assets	\$8,156,567	\$6,497,044
Current liabilities	2,971,523	3,514,453
	<u>\$5,185,044</u>	<u>\$2,982,591</u>
		<u>\$2,202,453</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1966

1. The subsidiaries are wholly owned and the financial statements include their accounts.

2. FUNDED DEBT

First Mortgage Sinking Fund Bonds	
Series A, 5% due September 1, 1968	- \$ 791,000
Series B, 5½% due June 15, 1978	- 2,025,000
Series C, 7¼% due September 30, 1986	3,500,000
6% Debentures due September 30, 1976	- 250,000
	6,566,000
Included in current liabilities	- 291,000
	<u>\$6,275,000</u>

3. The Sinking Fund requirements of the First Mortgage Bonds are as follows:

Series A: September 1, 1967, \$300,000 with balance payable September 1, 1968.

Series B: Annually to June 15, 1968, \$50,000 and from June 15, 1969 to 1977, \$200,000 with balance payable June 15, 1978.

Series C: Annually from September 30, 1971 to 1978, \$100,000, from September 30, 1979 to 1984, \$250,000, September 30, 1985, \$350,000, with balance payable September 30, 1986.

Advance payments have been made against the above requirements, comprising \$9,000 Series A bonds and \$125,000 Series B bonds.

4. 12,000 shares are under option under the Company's Stock Option Plan for employees at 95% of market price at date options were granted, expiring in 1973.
5. During the year, 97,153 shares were issued for cash under stock option agreements.
6. Based on engineering studies, the company reduced the rate of depreciation during the year on certain buildings and machinery. Had these rates not been changed, an additional \$129,220 of depreciation would have been recorded in 1966.
7. Under the terms of the agreement to purchase the shares of Brentwood Containers Limited, the maximum price was \$961,500 of which \$711,500 has been paid in cash and by the issue of 6% debentures. The balance to be paid (by the issue of income debentures) is dependent on the level of the subsidiary's profits for the next three years. An undertaking to redeem the 6% debentures and the income debentures before maturity is also dependent upon future profits of the subsidiary. These contingencies are not reflected in the financial statements.

AUDITORS' REPORT

The Shareholders,
CONSUMERS GLASS COMPANY LIMITED.

We have examined the accompanying consolidated balance sheet of Consumers Glass Company Limited as at December 31, 1966 and the statements of income, retained earnings and source and use of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

TORONTO, ONTARIO,
February 21, 1967.

In our opinion, the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations and source and use of funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period except for the change in depreciation rates referred to in Note 6, which change we approve.

TOUCHE, ROSS, BAILEY & SMART
Chartered Accountants.



FINANCIAL REVIEW

	Year Ended Dec. 31 1966	4 Months Ended Dec. 31 1965	Years ended August 31				
			1965	1964	1963	1962	1961
OPERATIONS (thousands of dollars)							
Net sales	\$21,570	\$6,732	\$18,262	\$15,915	\$16,813	\$17,777	\$13,400
Taxes on income	1,341	353	862	676	751	507	16
Net income	1,266	276	806	701	747	649	42
% of income to sales	5.9%	4.1%	4.4%	4.4%	4.4%	3.6%	.3%
Depreciation	1,076	379	1,008	1,002	1,030	1,073	699
Capital expenditures	3,210	760	1,700	1,286	1,623	1,977	1,917
PER SHARE							
Earnings	\$0.77	\$0.18	\$0.53	\$0.50	\$0.55	\$0.51*	\$0.03*
Dividends paid	0.28	0.07	0.25	0.25	0.20	0.20*	0.20*
BALANCE SHEET (thousands of dollars)							
Working capital	\$5,185	\$2,983	\$3,001	\$2,576	\$2,238	\$2,143	\$1,966
Long-term debt	7,275	3,950	4,300	4,650	5,000	5,350	4,600
Tax reductions applicable to future years	2,872	2,370	2,083	1,577	1,337	1,305	858
Capital and retained earnings	8,865	7,523	7,156	6,077	5,391	4,540	3,907

*After giving effect to stock split (4 for 1) in August 1963.

*Après le fractionnement des actions (1 en 4) en août 1963.

REVUE FINANCIÈRE							EXPLORATION (en milliers de dollars)							PAR ACTION												
4 mois							Exercice clos le 31 août							BILAN (en milliers de dollars)												
1961	1962	1963	1964	1965	1966	clôs le 31 déc.	1961	1962	1963	1964	1965	1966	clôs le 31 déc.	1961	1962	1963	1964	1965	1966	clôs le 31 déc.	1961	1962	1963	1964	1965	1966
Ventes nettes	\$21,570	\$6,732	\$18,262	\$15,915	\$16,813	\$17,777	\$13,400																			
Impôts sur le revenu	1,341	353	862	676	751	507	16																			
Bénéfice net	1,266	276	806	701	747	649	42																			
% du bénéfice par rapport aux ventes	5.9%	4.1%	4.4%	4.4%	4.4%	3.6%	.3%																			
Amortissement des immobilisations	1,076	379	1,008	1,002	1,030	1,073	699																			
Dépenses en immobilisations	3,210	760	1,700	1,286	1,623	1,977	1,917																			
Rendement net	\$0.77	\$0.18	\$0.53	\$0.50	\$0.55	\$0.51*	\$0.03*																			
Dividendes versés	0.28	0.07	0.25	0.25	0.25	0.20	0.20*																			
Fonds de roulement	\$5,185	\$2,983	\$3,001	\$2,576	\$2,238	\$2,143	\$1,966																			
BILAN (en milliers de dollars)																										
Dettes à long terme	6,275	3,950	4,300	4,650	5,000	5,350	4,600																			
Degrèvements d'impôts, imputables aux exercices ultérieurs	2,872	2,370	2,083	1,577	1,337	1,305	858																			
Capital et bénéfices non répartis	8,865	7,523	7,156	6,077	5,391	4,540	3,907																			



A notre avis les états financiers présentés exposent l'élément la situation financière de la compagnie au 31 décembre 1996 ainsi que les résultats de ses opérations et les mouvements de sa trésorerie pour l'exercice clos à cette date, conformément aux principes comptables généralement acceptés suivant les mêmes modalités qu'au cours de l'exercice précédent, sauf à l'égard de la modéification, que nous approuvons, des taux d'amortissement dont il est question à la note 6.

Nous avons examiné le bilan ci-joint du Consumers Glass Company Limited au 31 décembre 1966 et les états d'amortissements bénéfiques, des bénéfices non réalisés et de provénaance et d'exploit des fonds pour l'exercice clos à cette date. Notre examen a compris une revue générale des méthodes comp-tables et les sondages des livres et des pièces justificatives que nous avons jugées nécessaires dans les circonstances.

Aux actionnaires,

RAPPORT DES VERIFICATEURS

7. En vertu des dispositions de l'accord relatif à l'achat des actions de Brentwood Contractors Limited, le prix maximum établit de \$961,500, sur ce montant une somme de \$711,500 a été payée complément et par l'émission d'obligations non garanties à 6%. Le solde à payer (par l'émission d'obligations non garanties non garanties non garanties non garanties à 6%). L'échec de l'obligation de rembourser l'ensemble de l'emission d'obligations non garanties non garanties non garanties non garanties à 6% au 31 décembre 1996 entraînerait une perte de 6% sur l'ensemble de l'emission d'obligations non garanties non garanties non garanties non garanties à 6%.

3. Les montants requis au fonds d'amortissement pour les obligations de première hypothèque sont les suivants :

Série A : Le 1er septembre 1967, \$300,000; solde rembourserable le 1er septembre 1968.

Série B : Versements annuels de \$50,000 jusqu'à au 15 juin 1968, de \$200,000 le 15 juin de 1969 à 1977; solde rembourisable le 15 juin 1978.

Série C : Versements annuels de \$100,000 le 30 septembre de 1971 à 1978, de \$250,000 le 30 septembre de 1979 à 1984; \$350,000 le 30 septembre 1985 et le solde rembourisable le 30 septembre 1986.

4. En vertu du plan d'option sur actions de la compagnie, des options sont en cours, jusqu'à 1973, permettant aux employés, d'acheter 12,000 actions à 95% de leur valeur boursière à la date où les options ont été accordées.

5. Au cours de l'exercice, 97,153 actions futures émises contre 96,153 actions futures émises contre d'espèces au titre des accords d'option d'achat.

6. A la suite d'études techniques, la compagnie a réduit le taux d'amortissement sur équipements et machines au cours de l'exercice. Si ces taux n'avaient pas été modifiés, une somme additionnelle de \$129,220 aurait été inscrite au compte de l'amortissement en 1966.

Des paiements anticipés ont été effectués sur les montants requis précisément, compris entre \$9,000 sur les obligations de la Série A et \$125,000 sur les obligations de la Série B.

11. Les filiales sont en propriété exclusive et leurs compétences sont comprises dans les états financiers.

NOTES AUX ETATS FINANCIERS CONSOLIDÉS

CONSUMERS GLASS COMPANY LIMITED	POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 1966
ÉTAT CONSOLIDÉ DE PROVÉNANCE ET EMPLOI DES FONDS	
Provenance des fonds	\$1,266,230
Bénéfice net de l'exercice	
Impayations sur le revenu sans sorties de fonds:	
Amortissement des immobilisations	\$1,076,221
Amortissement des frais du revenement rétractaire de fours	248,594
Augmentation des dégrevements d'impôts, imputables aux exercices ultérieurs	500,000
Fonds provenant de l'exploitation	3,091,045
Emission d'obligations	3,750,000
Emission de capital-actions	607,206
Fonds de roulement de la filiale acquire	133,318
Ventes d'immobilisations	9,941
Emploi des fonds	7,591,510
Dépenses en immobilisations	3,210,570
Frais du revenement rétractaire de fours	435,188
Rachat d'obligations	425,000
Dividendes	456,114
Acquisition du commerce et de l'actif net de la filiale	711,500
Frais de l'émission d'obligations	75,153
Impôt spécial remboursable	75,532
Augmentation du fonds de roulement	\$2,202,453
Disponibilités	
Exigibilités	
31 décembre 1966	\$3,389,057
31 décembre 1965	\$2,202,453

AVOIR DES ACTIONNAIRES

J. D. MINGAY, administrateur
BRIAN HEWARD, administrateur

Au nom du Conseil

Acquisition au prix coutant	\$21,983,752	\$17,357,391
Frais non amortis du revêtement réfractaire de fours	13,224,475	10,860,347
Mois d'amortissement accumulé	683,656	497,062
Terain, bâtiments et machine, au prix coutant	12,540,819	10,363,285
Immobilisations	9,613,006	19,976,291
Impôt spécial remboursable	76,178	—
Frais payés d'avance	8,156,567	6,497,044
Stocks au bas du prix coutant ou de la valeur du marché	4,882,567	4,792,921
Titres négociables, au prix coutant (valeur boursière—1966, \$215,490; 1965, \$222,625)	250,000	250,988
Comptes à recevoir	2,133,005	1,255,595
Encaisse et réçus de dépôts	\$ 687,298	\$ 16,029
Disponibilités	1966	1965

ACTIF

(avec les chiffres au 31 décembre 1965 pour fin de comparaison)

BILAN CONSOLIDÉ au 31 décembre 1966

(constitué en vertu de la Loi canadienne sur les corporations)

CONSUMERS GLASS COMPANY LIMITED

		Solde au 31 décembre 1966
	\$5,720,343	
531,267		
		Frais de l'émission d'obligations
	75,153	
	\$456,114	Dividendes versés
		Morts:
6,251,610		
1,266,230		Plus le bénéfice net de l'exercice
\$4,985,380		Solde au 31 décembre 1965

POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 1966

ETAT CONSOLIDÉ DES BÉNÉFICES NON RÉPARTIS

*Remarque: En 1965, la fin de l'exercice financier de la compagnie a été portée du 31 août au 31 décembre.

		Morts:
	\$ 806,491	Bénéfice net de l'exercice
1,340,709		ultérieurs; 1965, \$506,000)
		Provision pour impôts sur le revenu (y compris la somme de \$500,000 imputable aux exercices
2,606,939		Bénéfice avant impôts
16,604,951		18,977,426
73,000		Appoinements et salaires des administrateurs
283,250		Intérêt sur la dette à long terme
248,594		Amortissement des frais du renouvellement réfractaire de fours
1,076,221		Amortissement des immobilisations
15,106,133		Prix courant des marchandises vendues, frais de distribution, de ventes et d'administration
17,296,361		
21,584,365		Ventes nettes
14,042		Revenu de placements
\$21,570,323		
1965	1966	

(avec les chiffres de l'exercice clos le 31 août 1965 pour fin de comparaison*)

DE L'EXERCICE CLOS LE 31 DÉCEMBRE 1966

ETAT CONSOLIDÉ DU BÉNÉFICE



Le marché des bouteilles non réutilisées montre également des signes d'une intensification, dans le secteur des boissons gazeuses surtout. Ce marché a triplé en 1996. Selon des prévisions prudentes, la demande de contenants non réutilisés pour les boissons gazeuses est susceptible d'une augmentation marquée au cours des prochaines années.

C'est l'industrie des denrées alimentaires qui a été le secteur où l'expansion de la Compagnie a été le plus marqué en 1966; l'on peut dire que cette tendance se poursuivra en 1967.

Consumers Glass envisage l'avenir avec un optimisme mesuré, en dépit de l'intensification de la concurrence suscitée par d'autres concurrents sur quelques marchés. La concurrence d'autres matériaux d'emballage existe depuis nombre d'années et elle se continue. La campagne a connu une percée pourra soutenir la concurrence comme par le passé, grâce à de nouveaux produits, à des perfectionnements technologiques et à des programmes de commercialisation efficaces.

PERSPECTIVES



RELATIONS AVEC LE PERSONNEL

Au cours de 1966, Consumers Glass a participé à des programmes de la Glass Container Industry Research Corporation, un groupement de compagnies canadiennes et américaines formé dans le but de favoriser les perfectionnements techniques. La Compagnie a également mis ses aménagements de production et ses experts à la disposition de la GICR pour plusieurs travaux de recherche. Consumers Glass continue de tirer de grands avantages de ses relations avec Brockway Glass Company, Inc., le deuxième en importance des fabricants de contenants de verre des Etats-Unis. Aux termes d'un accord conclu avec Brockway, les techniciens et les experts de la Compagnie peuvent participer à des cours de perfectionnement, échanger des connaissances techniques avec leurs collègues américains et profiter des remarquables améliorations apportées aux méthodes de fabrication de la verre.

Les services techniques et le service de la création de modèles sont engagés dans la mise au point d'un modèle bouteilles plus légères afin de réduire les frais de transport, ce qui amènerait une diminution du prix pour les clients.

REFLECTIONS ON NEMENI

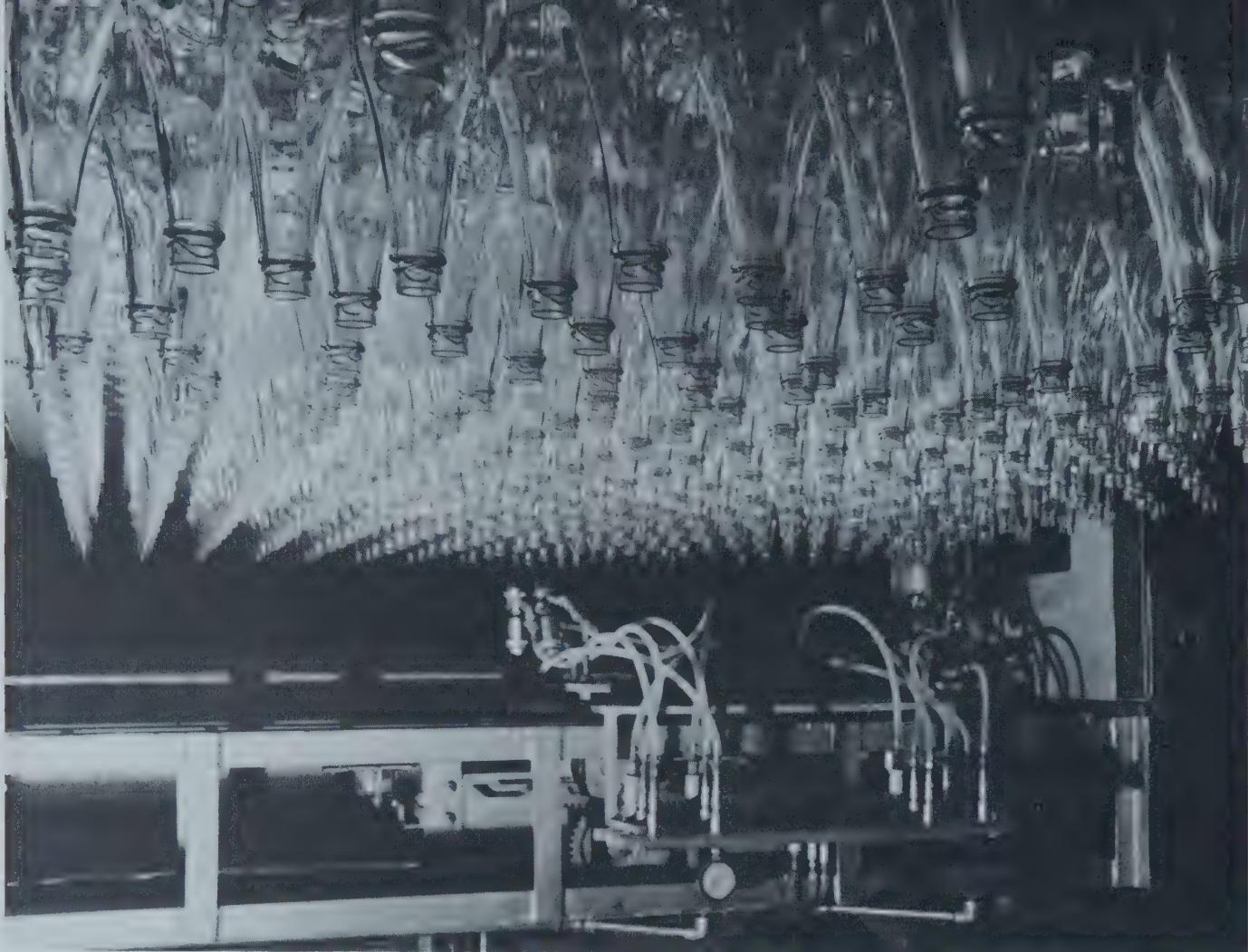
De plus, Consumers Glass présente son concours à l'Association canadienne du tourisme dans la campagne de celle-ci contre la malpropreté.

Plusieurs services de santé et de bien-être ensiégne ment dans la campagne de l'United Appeal
s'implantent au Canada ont reçu des sommes Glass a reçu un prix pour sa contribution à la campagne en 1966. A Toronto, le personnel de l'United Appeal de l'Ontario a été nommé à la campagne de l'United Appeal.

Le Plan de rente de Consommes Glass a été modifié en 1996 pour tenir compte de l'avènement du Régime de pensions du Canada et du Régime de rentes du Québec. Ce plan, qui offre l'option à part contributive ou non, permet aux employés de verser un pourcentage de leur revenu annuel pour augmenter leurs prestations de rente. Un plan global d'assurance pour les frais médicaux offre au personnel une excellente protection. De plus, les usines de Toronto et de Montréal ont un service médical ouvert 24 heures par jour. Ces centres sont bien équipés et le personnel est hautement qualifié.

Consommes Glass s'engouffrait à juste titre des 20 étudiants qui fréquentent des maisons de haut-savoir au titre du Plan de bourses universitaires de la Compagnie. Grâce à ce programme, les fils, filles ou autres personnes à charge des employés compattaient au moins une année de service régulier \$750 par année pendant quatre ans ou jusqu'à la fin de leurs études, soit le cas où se présente en permier, à condition qu'ils fréquentent une université ou

La Compagnie est fier d'avoir à son service un personnel dévoué et compétent. Consommes Glass jouit d'excellentes relations avec les syndicats: les Travailleurs Unis du verre et de la céramique de l'Amérique du Nord à Montréal et la Confédération des syndicats nationaux à Toronto et en avril 1965 à Montréal.



La Compagnie participe, pour la troisième année consécutive, au Programme de Publicité Consomate de l'Industrie des contenants de verre. L'un des objectifs du permis de ce groupe est de favoriser l'expansion du marché des bouteilles non répétées.

Consommateurs est celle de compter parmi ses clients presque tous les usagers de contenants de verre des régions desservies. Ces usagers sont des compagnies de denrées alimentaires, toutes les brasseries, distilleries et les établissements vinicoles, ainsi que les principaux embouteilleurs de boissons gazeuses et les fabricants de produits pharmaceutiques et de produits chimiques.

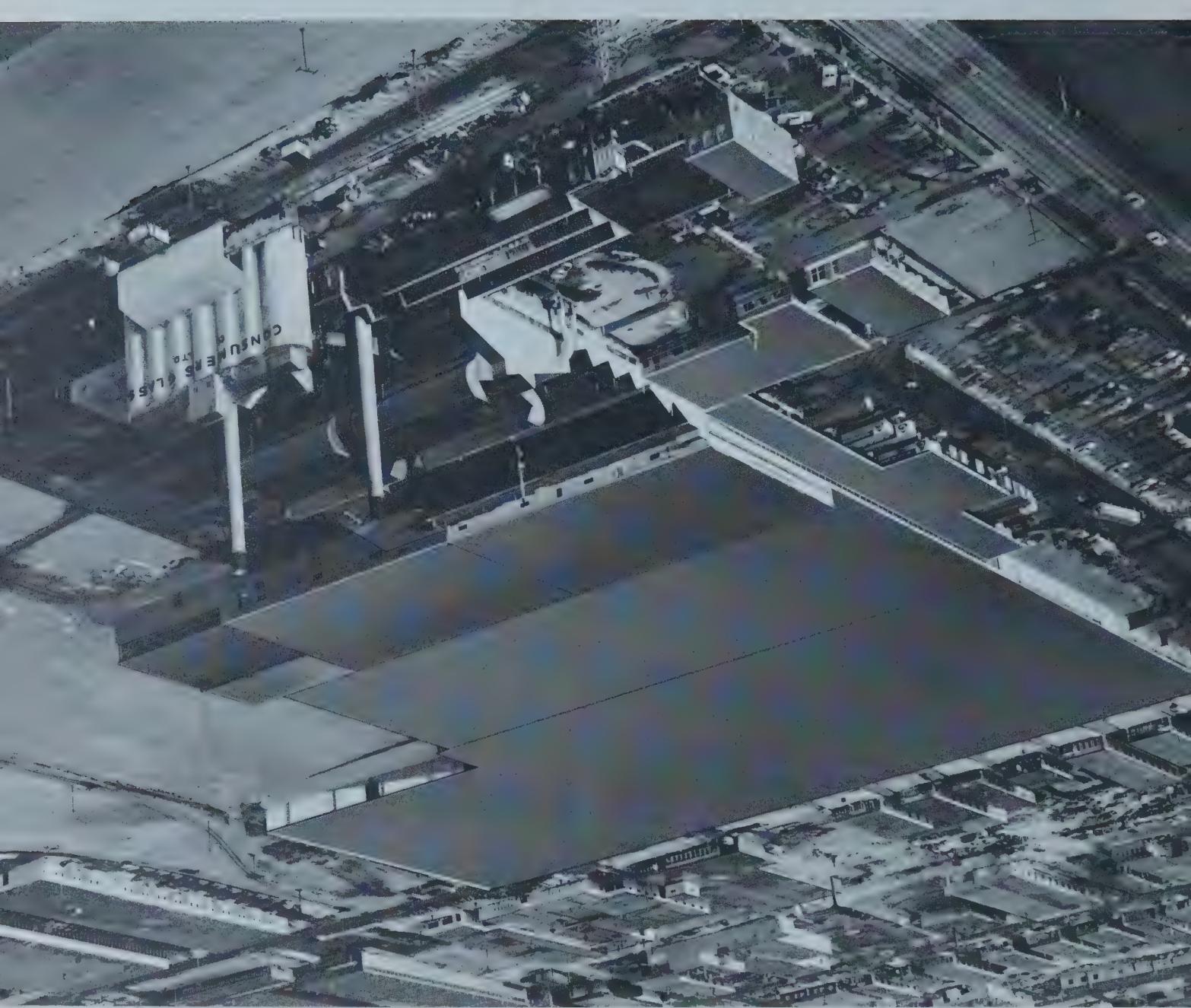
Les services de commercialisation et de vente de la Compagnie sont l'objet d'améliorations constantes. A cette fin, plusieurs modifications ont été apportées au cours de 1996. Le service de vente soutient de la collaboration des services techniques et du service des ventes. La direction des services et du service de la collaboration, à la fois pratiques et esthétiques pour les conteneurs de modèles; ces services aident les vendeurs et les agents à trouver, à partir des exigences du client, des applications commerciales des services de vente. Les directeurs des services commerciaux des produits appartiennent leur siège spécialisé dans ce domaine de la commercialisation, et le service des clients de la compagnie, grâce à ses connaissances partagées des produits et à son expérience, assure son concours précieux aux vendeurs et aux clients.

Les produits de Consommes Glass sont bien accueillis dans des quartiers ruraux et urbains de l'Ontario, le Manitoba et les provinces atlantiques. En Ontario, le Manitoba et les Provinces de l'Atlantique, le Québec, le Manitoba ou ils sont en marché: autres régions, elle a retenu les services d'agents de fabriquants.

COMMERCIALISATION

Des mesures ont été prises au cours de l'exercice pour améliorer l'efficacité et augmenter le rendement du secteur administratif de la Compagnie. Un ordinateur IBM 360-20 a cartes à éteindre au bureau de Toronto au mois de mai pour faciliter les travaux de prévision, de planification et de contrôle des stocks. Cette machine, la première du genre à être installée au Canada, servira également à certains travaux de compactilité. Pour aider au financement de l'expansion actuelle et future, un montant additionnel de \$3 ½ millions d'obligations de première hypothèque ont été vendues au mois d'octobre à un groupe d'entrepreneurs financiers.

Cette instillation tient compte des dernières perfectionnements techniques relatifs à la réfraction et aux fours et son résultat que, grâce à ces perfectionnements, la durée économique du four sera prolongée au-delà des limites normales prévues. Ces caractéristiques et d'autres assureront aux clients un approvisionnement imminent de contenants de qualité supérieure.



Le nom du Conseil,
Le président,
J. D. MINGAY.

le 21 février 1967

L'amélioration du rendement global de votre Compagnie au cours de l'exercice aurait été impossible sans le dévouement, les efforts et la compétence de nos nombreuses personnes. Nous sommes heureux et fiers du travail de tout notre personnel et nous les remercions très sincèrement. Nous tenons également à remercier nos fournisseurs pour leurs services et leur coopération, ainsi que nos clients pour leur confiance et nous voulons les assurer que nous nous efforcerons de toujours bien les servir.

Notre Compagnie pendant les 16 dernières années est imestimable, et nous désirons lui exprimer notre grande reconnaissance pour ses bons services.

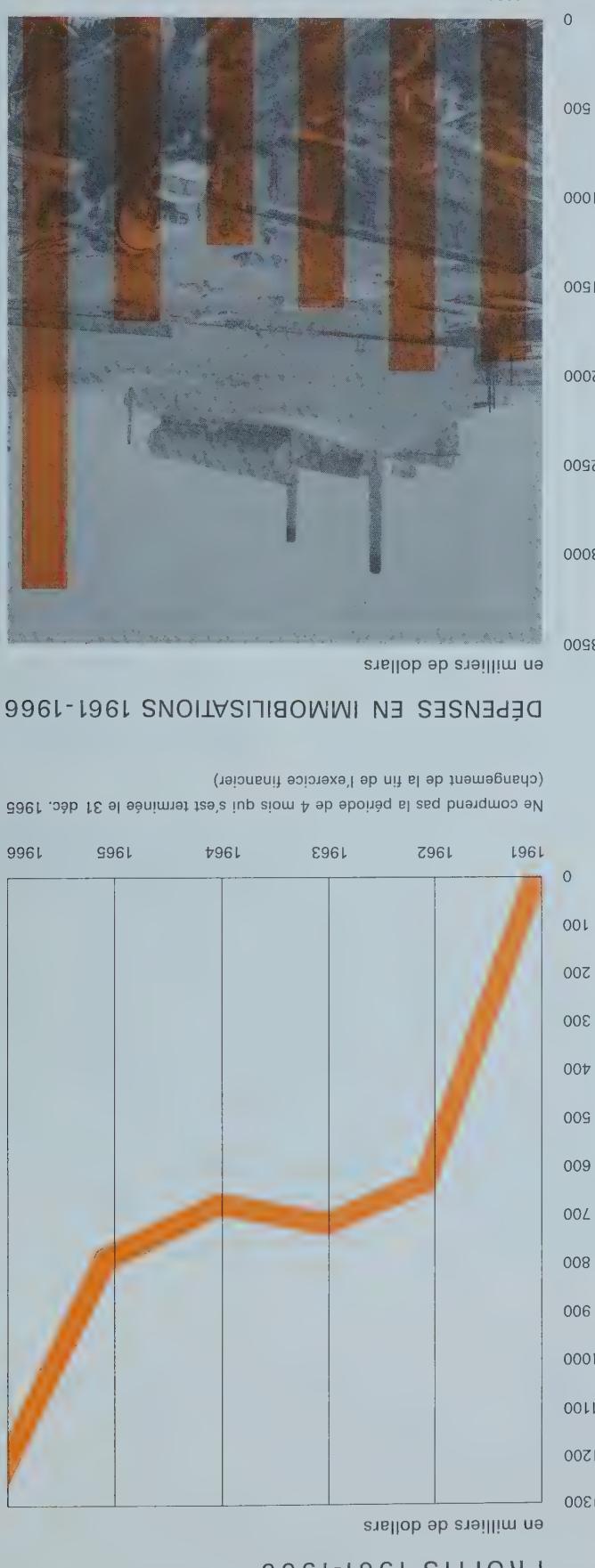
Depuis la présentation de notre dernier rapport annuel, M. Ross Clarkson, qui était administrateur de notre Compagnie depuis 1950, a démissionné de son poste au Conseil. La contribution de M. Clarkson à l'essor de

REMERCIEMENTS

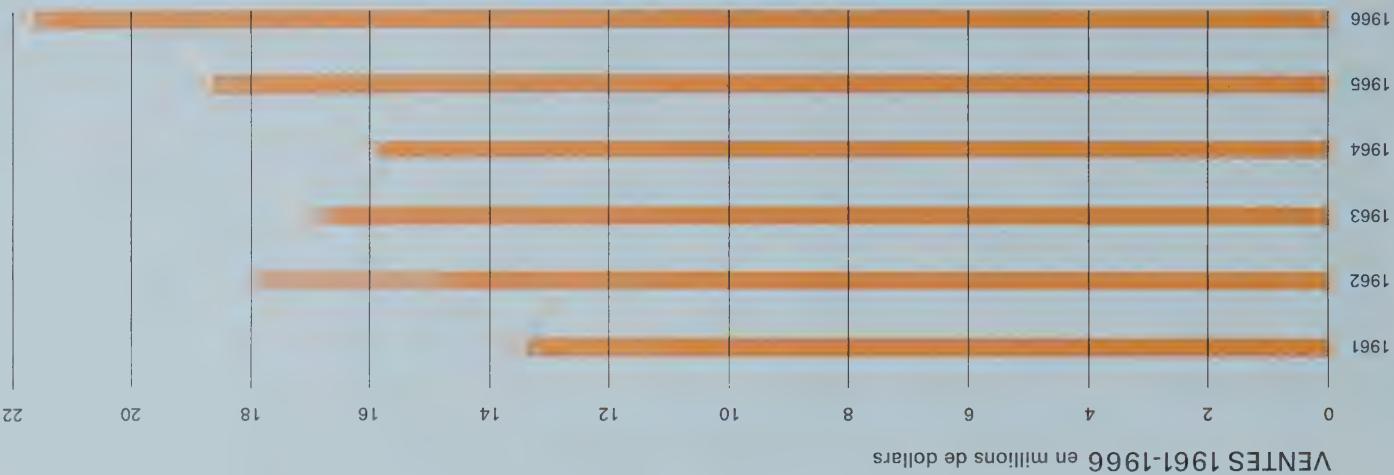
Ces fortes dépendances en immobilisations demandent, il va de soi, une ligne de conduite prudente quant aux dividendes, mais la position des actionnaires devrait, à long terme, s'améliorer sensiblement.

Notre envisageons l'avenir avec confiance et nous prévoyons engager d'importantes dépenses en immobilisations pendant plusieurs années encore, ce qui nous permettra de répondre à la demande grandissante des marchés.

PERSPECTIVES



DEPENSES EN IMMOBILISATIONS ET AMORTISSEMENT



La remarquable augmentation de 57 pour cent du bénéfice net de l'exercice est attribuable au volume accru des ventes, à la grande utilisation de la capacité de production et à l'amélioration de la productivité. Cette plus grande productivité découle directement du programme de forte dépenses en immobilisations, engagées au cours des dernières années, et du perfectionnement des techniques.

Le rendement net par action a augmenté de 24%, soit de 45 pour cent par rapport au dernier exercice financier entier, nombastant l'émission contre espèces de 129,888 actions ordinaires, par suite des accords d'option d'achat. Une somme totale de \$456,114 fut versée en dividendes sur les actions ordinaires de la Compagnie; ces dividendes furent payés trimestriellement à raison de 7¢ l'action.

Les ventes nettes consolidées de 1996 ont augmenté de 18 pour cent pour atteindre un chiffre record, par suite, en grande partie, des changements additionnels expédiés aux industries de denrées alimentaires et de boissons. L'augmentation du volume de vente des contenants de boissons a été favorisée par la belle température de l'été dernier, mais l'accroissement le plus important a été enregistré sur le marché des contenants non répétis pour les boissons gazeuses, les environs de ces contenants ayant triple.

RAPPORT DU PRÉSIDENT AUX ACTIONNAIRES



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